YOUNG ENTERPRISE SHARES REVIEW

First Quarter 2014

PERFORMANCE COMMENTARY

After having helped your valuations to an unusually good gain in 2013, the general market took a rest during the quarter just ended (see indices below). The upward push of 2013 — on top of four years of gains — reached into new high index marks. Rest is not the right descriptive word to describe the stock market. It was a high-energy, restless market during the quarter just ended, active in trading volume and volatility, and nervously equivocal in analytical commentary pertaining to pathways henceforth. There were recurrent waves of dumping of shares of new technology companies without common reason other than hyper valuations of a few. This increased volatility categorically. On the other hand, the flow of corporate earnings for the quarter just ended was by-and-large affirmative. Valuations at quarter's end gave our clients above average results.

	CLOSING PRICES			% CHANGE *	
Name of Index	**12/31/12**	**12/31/13**	**3/31/14**	**1st Qtr. 2014**	**Year 2013**
DJ Industrial	13,104.14	16,576.66	16,457.73	-0.72%	26.50%
S&P 500 Total Return	2,504.44	3,315.59	3,375.51	1.81% **	32.39% **
Nasdaq Composite	3,019.51	4,176.59	4,198.99	0.54%	38.32%
Russell 2000 Growth	483.32	688.14	690.47	0.34%	42.38%
Nasdaq Biotechnology	1,430.81	2,369.53	2,468.89	4.19%	65.61%
Nasdaq Telecommunications	200.87	249.12	249.98	0.35%	24.02%
DJ Utility Average	453.09	490.57	532.13	8.47%	8.27%

* Not adjusted for dividends
** S&P 500 Total Return adjusted for dividends

Data Source: Telemet

Equivocation is very rarely a reasonable or a useful response. The heights recently attained by share prices, supported by contemporary circumstances, make further gains in share prices more likely. To a significant degree, the gains represent the flowering of national monetary policy (in concert with other leading nations) and coordinate with an abundance of investible funds within and surrounding the stock market. Most importantly, the vigor and strength of large well-run enterprises rank among the most significant of driving forces. As built into the nature and structure of commercial and industrial America (and other developed countries also), it is the intelligence of well-motivated managements that deliver the goods for shareholders, and expand incomes and daily abundance for human well being. This was outstanding in recent years during the recovery and growth from the depths of financial-industry-inflicted sharp, broad recessions upon societies around the world.

It seems appropriate during sustained slow-growth periods to hold positions in shares of high growth mid-sized and smaller companies, whose products have specific appeals that fill needs or attract new customers. An all-things-considered contemporary analysis of recent years seems always to show pertinent circumstances were propitious for equity investors — most importantly as a slow sustainable growth that called for the help of low-interest rates. The stock market's resilient responses seem to have validated the propitiousness of these surrounding conditions. The net effect of prospective changes, as we foresee, should sustain supportive circumstances. Though constituent factors and industries are forming very significant changes, some would bring sources of new vigor making up for losses from former sources. Prospective changes guide selections.

We shall soon send a broader and deeper perception of the considerations and factors that underlie this summary.

With every good wish,

Alfred R. Berkeley	James Fitzpatrick	Hugh Fitzpatrick	Ken Berents	Jordan Schreiber	Steve Reynolds

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Performance results are calculated internally using Advent portfolio accounting software. Accounts are included in each composite and its performance at the beginning of the first full calendar month in which the account is fully reflective of the investment strategy. Performance and index valuations and calculations include cash and cash equivalents and also include the reinvestment of dividends, interest and other earnings and are computed and stated in US dollars. All performance figures for periods one year and greater are annualized. Returns are weighted for the size of each underlying account. Net returns are reported net of management fees and commissions. A client's return will be reduced by our advisory fees and other expenses a client may incur in the management of the client's portfolio. Our advisory fees are disclosed in our Form ADV 2A. Also, there is a compounding effect of advisory fees over time on the value of a client's portfolio. As an example, the deduction of investment management fees would reduce the annualized return for the five years ended December 2013 from 22.0% to 20.4%. Actual investment advisory fees incurred by clients may vary.
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